

June 14, 2001

IN RE: DOCKET NO. 2001-65-C – BellSouth Telecommunications, Inc. –
Generic Proceeding to Establish Prices for BellSouth
Telecommunications, Inc.'s Interconnection Services, Unbundled
Network Elements and Other Related Elements and Services.

**COPY OF SURREBUTTAL TESTIMONY OF JAMES M. MCDANIEL,
FILED ON BEHALF OF COMMISSION STAFF HAS BEEN
DISTRIBUTED TO THE FOLLOWING:**

J. McDaniel

D. Lacoste

Research

Legal (2)

Exec. Director

Manager, Utils Dept.

Audit (1)

Commissioners (7)

pao

COMMISSIONERS
WILLIAM "BILL" SAUNDERS, 1ST DISTRICT
CHAIRMAN
H. CLAY CARRUTH, JR., 5TH DISTRICT
VICE CHAIRMAN



COMMISSIONERS
JAMES BLAKE ATKINS, Ph.D., 2ND DISTRICT
RANDY MITCHELL, 3RD DISTRICT
PHILIP T. BRADLEY, 4TH DISTRICT
MIGNON L. CLYBURN, 6TH DISTRICT
C. ROBERT MOSELEY, AT LARGE

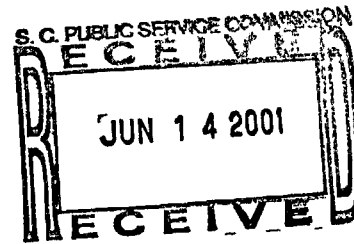
GARY E. WALSH
EXECUTIVE DIRECTOR
Phone: (803) 896-5100
Fax: (803) 896-5199

The Public Service Commission State of South Carolina

PO Drawer 11649
Columbia, SC 29211
Koger Executive Center
101 Executive Center Dr.
Columbia, SC 29210
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June 14, 2001

Honorable Gary E. Walsh
Executive Director
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, SC 29211



**RE: Docket No. 2001-65-C – Generic Proceeding to Establish Prices for
BellSouth Telecommunications, Inc.’s Interconnection Services, Unbundled
Network Elements and other related Elements and Services.**

Dear Mr. Walsh:

Pursuant to R.103-869 of the Commission’s Rules and Regulations, I am herein enclosing the original and twenty-five (25) copies of the surrebuttal testimony intended to be offered by the one (1) witness for the Commission Staff in the above referenced proceeding. By copy of this letter, I am serving copies of the testimony on the parties of record in this proceeding as per attached Certificate of Service.

If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "F. David Butler".

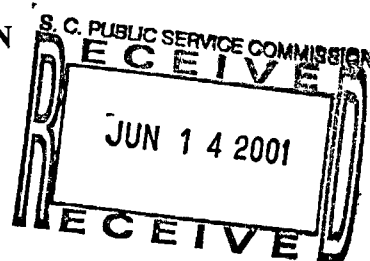
F. David Butler
General Counsel

FDB/hha
Enclosures

cc: All Parties of Record

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA**

DOCKET NO. 2001-65-C



IN THE MATTER OF:

Generic Proceeding to Establish Prices for)
BellSouth Telecommunications, Inc.'s)
Interconnection Services, Unbundled Network)
Elements and other related Elements and Services.)

**CERTIFICATE OF SERVICE
(BY REGULAR U.S. MAIL)**

I, Hope H. Adams, do hereby certify that I have on the date indicated below served the following named individual(s) with one (1) copy of the pleading(s) listed below by First Class Mail with sufficient postage attached and return address clearly marked.

PARTIES SERVED:

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Docket No. 2001-65-C (Service List)

June 14, 2001

Page 2

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721 Olive Street
Columbia, SC 29205

PLEADING(S): Commission Staff Surrebuttal Testimony of James M. McDaniel

OFFICE OF GENERAL COUNSEL
SC Public Service Commission

By: 

Hope H. Adams

Columbia, South Carolina
June 14, 2001

TRANSACTION REPORT

Broadcast

Transaction(s) completed

NO.	TX DATE/TIME	DESTINATION	DURATION	PGS.	RESULT	MODE
514	JUN. 14 16:31	18032541731	0° 01' 17"	006	OK	N ECM
	16:34	803 252 0724	0° 02' 27"	006	OK	Normal
	16:37	803 799 8479	0° 01' 18"	006	OK	N ECM
	16:39	803 255 8017	0° 01' 40"	006	OK	N ECM
	16:41	8033763064	0° 01' 18"	006	OK	N ECM
	16:43	8037651243	0° 01' 22"	006	OK	N ECM
	16:45	803 771 8010	0° 01' 18"	006	OK	N ECM
	16:47	803 799 3256	0° 01' 37"	006	OK	N ECM

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**PUBLIC SERVICE
COMMISSION OF
SOUTH CAROLINA**

Fax

To: Caroline Watson 254-1731

From: Tricia O'Donnell

Darra Cothran 789-3256

Frank Ellerbe 252-0724

Jack Pringle/John Beach 789-8479

Faye Flowers 255-8017

Russell "Bo" Shetterly 376-3064

Frank Mood 765-1243

Scott Elliott 771-8010

O'Donnell, Tricia

From: O'Donnell, Tricia
Sent: Thursday, June 14, 2001 4:54 PM
To: 'elam@dca.state.sc.us'
Subject: Surrebuttal Testimony DN2001-65-C

Contacts: Elliott F. Elam, Jr.



util testimony cover.doc



FINAL DN 2001-65-C -
Surrebutt...

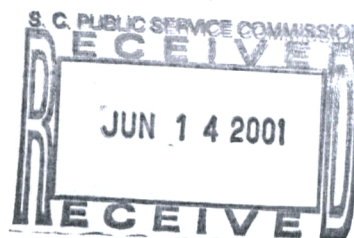
Elliott: A copy has also been placed in the mail today.

Tricia O'Donnell
Administrative Assistant
Utilities Department
Public Service Commission of SC
803-896-5125
803-896-5199 (fax)
tricia.odonnell@psc.state.sc.us

POSTED
06/01/01

***Generic Proceeding to Establish Prices for
BellSouth Telecommunications, Inc.'s
Unbundled Network Elements and other
related elements and services***

Docket No. 2001-65-C



***Surrebuttal Testimony of
James M. McDaniel
Utilities Department***

Public Service Commission of South Carolina

RETURN DATE: 06/01/01
SERVICE: 06/01/01

1 Q. WOULD YOU PLEASE STATE YOUR NAME AND YOUR BUSINESS
2 ADDRESS?

3 A. My name is James M. McDaniel. My business address is 101
4 Executive Center Drive, Columbia, South Carolina.

5 Q. ARE YOU THE SAME JAMES M. MCDANIEL, WHO FILED DIRECT AND
6 SUPPLEMENTAL TESTIMONY IN THIS DOCKET ON BEHALF OF THE
7 UTILITIES DEPARTMENT OF THE PUBLIC SERVICE COMMISSION OF
8 SOUTH CAROLINA?

9 A. Yes. I am.

10 Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

11 A. The purpose of my surrebuttal testimony is to respond to
12 the Rebuttal Testimony of BellSouth's Witnesses Caldwell,
13 Cox, and Greer, who responded to my direct and
14 supplemental testimony in this proceeding.

15 Q. DO YOU AGREE WITH BELL SOUTH'S WITNESS GREER'S COMMENTS
16 WHICH INDICATE THAT THE FLORIDA PUBLIC SERVICE COMMISSION
17 IS NOT A FINAL DECISION?

18 A. I agree that the Florida Public Service Commission's
19 decision concerning BellSouth's UNE pricing is subject to
20 reconsideration and possible appeal. The principal purpose
21 of my testimony is to bring to this Commission's attention
22 the fact that the Florida Public Service Commission,
23 through a comprehensive review of the record and discovery
24 during a similar proceeding in Florida, had reached a

1 conclusion in its May 25, 2001 Order that BellSouth had
2 overstated the work times included in its Non-recurring
3 Cost Model.

4 Q. DO YOU AGREE WITH BELL SOUTH'S WITNESS CALDWELL'S COMMENT
5 THAT THE COMMISSION SHOULD ALSO TAKE JUDICIAL NOTICE OF
6 BELL SOUTH'S REQUEST FOR RECONSIDERATION?

7 A. Yes.

8 Q. IS THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
9 REQUIRED TO ADOPT THE DECISION OF THE FLORIDA PUBLIC
10 SERVICE COMMISSION?

11 A. No. This Commission is not required to adopt the
12 conclusion of the Florida Public Service Commission.
13 However, I know that the Commission has expressed an
14 interest in other proceedings concerning decisions
15 rendered by neighboring BellSouth States. Certainly, as
16 part of its deliberations on the matter, this Commission
17 can afford whatever weight it wishes to the Florida Public
18 Service Commission decision.

19 Q. DO YOU HAVE ANY COMMENTS CONCERNING MS. COX'S TESTIMONY
20 WHEREIN YOU INDICATE IN YOUR TESTIMONY THAT CLEC'S CLAIM
21 THAT NON-RECURRING CHARGES ARE A BARRIER TO ENTRY?

22 A. After considering the information provided by Ms. Cox, I
23 agree that market entry exists. If the proposed \$0.20
24 rate is the total non-recurring cost required by BellSouth

1 for a CLEC to convert a BellSouth customer to its
2 customer, then I would agree with Ms. Cox's observation
3 that this non-recurring charge should hardly be considered
4 a barrier to entry. However, if there were other non-
5 recurring charges, then I would have to reconsider that
6 conclusion.

7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8 A. Yes. It does.
9
10